

Public Chapter 508

HOUSE BILL NO. 1759

By Representatives Kisber, Brenda Turner, Westmoreland, Langster

Substituted for: Senate Bill No. 274

By Senator Rochelle

AN ACT to amend Tennessee Code Annotated, Sections 56-4-217, 67-4-808(1) and 67-4-908(a), relative to premium tax credits against franchise or excise taxes imposed by Title 67, Chapter 4, Parts 8 and 9.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-4-217, is amended by designating the current provisions as subsection (a) and adding new subsections (b) and (c) as follows:

(b) To the extent any franchise or excise tax liability remains after application of the credit set forth in subsection (a), such tax liability shall be reduced by the applicable percentage as follows:

(1) For tax years beginning on or after December 15, 1998 but not after December 14, 1999, the remaining liability after application of the credit shall be reduced by twenty percent (20%).

(2) For tax years beginning on or after December 15, 1999 but not after December 14, 2000, the remaining liability after application of the credit shall be reduced by forty percent (40%).

(3) For tax years beginning on or after December 15, 2000 but not after December 14, 2001, the remaining liability after application of the credit shall be reduced by sixty percent (60%).

(4) For tax years beginning on or after December 15, 2001 but not after December 14, 2002, the remaining liability after application of the credit shall be reduced by eighty percent (80%).

(c) For tax years beginning on or after December 15, 2002, the excise tax imposed by Title 67, Chapter 4, Part 8, and the franchise tax imposed by Title 67, Chapter 4, Part 9, shall no longer be applicable to insurance companies, as defined in Section 56-1-102(2).

SECTION 2. Tennessee Code Annotated, Section 67-4-808(1), is amended by inserting the words and punctuation “, as provided in Section 56-4-217,” between the words “allowed” and “a”.

SECTION 3. Tennessee Code Annotated, Section 67-4-908(a), is amended by inserting the words and punctuation "In accordance with Section 56-4-217," before the word "There" and by changing the capitalization of the word "There" accordingly.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.